

16 June 1982

NOTE FOR: [REDACTED]

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SUBJECT: H. D. Sokolski on Improving Proliferation Intelligence

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Mr. Sokolski handed the attached statement to me during a conference yesterday at Georgetown's Center for Strategic and International Studies (he also gave me his resume--references include Wohlstetter, Kramish, Gilinsky, et.al.--which I've passed to [REDACTED] OGI). He sees a need to improve nuclear intelligence along these lines:

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- when CIA debriefs services, DoE technical experts should be present;
- DoE and private industry should cooperate to get information about "foreign nuclear competitors;"
- DoE and ACDA should not reduce the number of analysts working on proliferation ("nuclear weapons spread intelligence personnel"); and
- additional surveillance satellites for coverage of the Southern Hemisphere should be procured.

I'm not sure that his improvements get at any real deficiencies with the notable exception of the last tick which I will be discussing [REDACTED]

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Prepared Statement of Henry David Sokolski
Visiting Scholar
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Before The

SUBCOMMITTEE ON INTERNATIONAL
SECURITY AND SCIENTIFIC AFFAIRS AND
THE SUBCOMMITTEE ON INTERNATIONAL ECONOMIC
POLICY AND TRADE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D. C.

March 3, 1982

Mr. Chairman and members of the respective subcommittees I want to thank you for giving me this opportunity to appear before you.

Currently, I am a visiting scholar at the Heritage Foundation and am under the sponsorship of the Hoover Institution on War, Revolution and Peace for whom I am doing research on U.S. spent fuel retransfer policy and free market strategies for promoting proliferation resistant nuclear exports. I have focused on these and related nuclear issues for the last seven years.

My central message today is that the spread of nuclear weapons is primarily a matter of national security and that consequently the most important steps we can take to reduce the problem lies in improving our own intelligence on other nations' nuclear activities and how we use this intelligence. What we have been doing in this regard is in need of improvement. Indeed, if we don't get our own house in order, it will jeopardize our ability to project power and influence events in several regions that are of vital interest. In specific, unless we are willing to take some modest steps now, the naval and rapid deployment forces we are building for the 1990's at a cost of scores of billions of dollars will be ready only in time to face the unhappy prospect of a Latin America with three or more nuclear nations; a South Africa armed with nuclear weapons, and a Middle and Near East nuclearized from Libya to India. This will not make our job of stabilizing these regions any easier. Indeed, such proliferation and the political instabilities it will engender will only increase Soviet opportunities to engage in expansionist or interventionist actions in these regions.

This is a serious matter. It certainly deserves more immediate attention than is given by diplomats anxious to secure major atomic sales or atomic legalists who have their sights set on some distant international regime. Indeed, attempting to slow the spread of nuclear weapons is as vital and serious as preparation for war itself.

This said, most of my suggestions, which focus on enhancing the effectiveness of our intelligence and diplomatic actions, are fairly mundane. Indeed, most would assume these steps and procedures are so basic that they have been taken already or are already in place. What is shocking is that many are not.

The first series of suggestions concern improving our intelligence gathering and analysis and are the least pressing. The second set of suggestions should enhance the bureaucratic likelihood that action will be taken when trouble is spotted and are the most important. And the last series of suggestions to increase the impact of our actions here and abroad are modest but would have a significant effect.

IMPROVING OUR INTELLIGENCE

The intelligence machinery we now have to track the clandestine purchasing of grey (dual-purpose) and clearly dangerous nuclear components is hardly beyond improvement. Yet our trouble in this area is not so much that we lack intelligence capability as it is that this capability may soon deteriorate and that we are not analyzing

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the intelligence as well as we could. First, some of the most basic CIA debriefing of sources is done without the benefit of intelligence personnel technically qualified in the field of nuclear power. Without the right questions being asked, we do not get all the answers. This can be corrected. 1.) The Department of Energy's (DOE's) own nuclear weapons spread intelligence people should be invited to pertinent CIA debriefings on a regular basis.

Also, contact with our own nuclear industry needs improving. I am not talking here about cloak and dagger activities with the CIA or the FBI but rather the more mundane exchange of information expected between industry and DOE on the activities of our foreign nuclear competitors. Here, ironically our efforts do not even approach the industry-government cooperation engaged in by our supposedly less realistic allies. From time to time, DOE's intelligence does get information from our nuclear industry and to date there has been no breach of confidence. This sort of exchange, though, is too much of a catch-can proposition. 2.) To the extent that DOE is helping the nuclear industry and it is in industry's interest to keep the department informed on our position relative to the foreign nuclear competition, industry should be asked to cooperate with DOE in advance of any specific intelligence task.

These suggestions are basic. Still, they are less important than the goal of simply maintaining the intelligence organization we now have. It is important that nuclear weapons spread analysis and intelligence personnel levels at DOE and at the Lawrence Livermore Laboratory not deteriorate. With talk of DOE reorganization,

the uncertainty of which laboratory activities will be continued, and the recent exit of several key people working in this field at DOE and ACDA further attrition of this personnel is likely.

3.) A statement of political intent at least to maintain the current level of nuclear weapons spread intelligence personnel should be made soon and by someone capable of making the statement stick.

Finally, there has been some talk of not buying additional surveillance satellites needed to cover the southern hemisphere where the spread of nuclear weapons is most certain to occur. Judging from the age, performance and limited coverage of our existing satellites in the south, dropping acquisition of additional units is risky. 4.) As a matter of verification and national defense some effort should be made to find the 200 million per year for the next five years necessary to procure additional satellites for covering the southern hemisphere.

IMPROVING THE BUREAUCRACY

The suggestions above will help maintain or improve the intelligence capacity we now have. Still, the greatest obstacle to our taking effective action to slow the spread of nuclear weapons is not any lack of intelligence so much as our slowness or unwillingness to act in a serious fashion when trouble is identified.

This reluctance, in part, is the result of a continued unwillingness to consider the spread of nuclear weapons primarily as a national security issue. Indeed, despite the President's July 16, 1981 policy

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statement that the spread of nuclear weapons would be viewed as a matter of U.S. and regional security, little or no such additional emphasis is yet being given to the topic. The National Security Council, the Defense Intelligence Agency, and the Office of the Secretary of Defense, in fact, each devote no more than one-third of a person year to nuclear weapons spread problems. When they do consider the matter, moreover, they associate it with issues such as the Comprehensive Test Ban, Law of the Sea, Mutual Force Reductions, and bilateral agreements for nuclear cooperation--matters whose end objective is some sort of signed agreement.

This approach is inadequate to execute the President's July 16, 1981 mandate. Instead of working on agreements that might produce worthwhile effects several years off, we need to focus on curbing what dangerous activity is going on now and have technically competent people to work full time on how our regional defense plans would be affected if these nations succeed and go on to develop advanced arsenals and delivery systems (advanced proliferation).

Attention to these sorts of problems is possible without creating any new departments or offices. Key appointments have yet to be made in the nuclear weapons spread field. Also quality placement of one or two people could do much more good than a large number of people working in the wrong place.

This then brings me to the next of my suggestions. 5.) Those appointments that remain to be made in the nonproliferation field at State and ACDA should be filled with people who are technically

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competent and experience in advanced nuclear proliferation analysis.

6.) A similarly qualified person should also be assigned to work full time on these problems high up in the Defense Department (under someone who works directly with the Secretary). 7.) Efforts should be made to define when tracking a foreign country's nuclear activities ceases to be a matter primarily for DOE expertise and becomes a security issue for Defense Department attention.

With these people in place Defense, ACDA, and State will be more likely to work more closely together on the national security problem of the spread of nuclear weapons. More important, it will make it more likely that the Defense Department will get involved in a nuclear weapons spread problem before a test flash appears over a suspect country and the Department is called in to pick up the pieces.

INCREASING OUR IMPACT

ABROAD

It has long been assumed that the only way we can significantly slow the spread of nuclear weapons is through establishment of some international effort either public or covert. This is not true. In fact, effective international efforts are only possible if it is first clear that, if necessary, we are both capable and willing to slow the spread of nuclear weapons on our own. In this regard, several small steps could produce significant effects.

Currently, the set of nuclear items proscribed for export by the Atomic Energy Act is quite small in comparison to the nuclear components restricted by the Export Administration Regulations' trigger list. Unfortunately our FBI tends only to get involved in tracking buyers or sellers of sensitive nuclear components to problem countries in the U.S. when the Atomic Energy Act is being violated. This is a mistake. 8.) Possible violation of the Export Administration Regulations should act as the minimal criteria for engaging the FBI. 9.) Publicity, moreover, should be given to those cases in which the FBI does catch people buying or selling nuclear components without a proper license. The administration did a good job last fall when it arrested several men involved in an illicit sale of cladding material to Pakistan. This episode and the press coverage it received should serve as a model. (See the New York Times, 20 November 1981).

With regard to dangerous sales our allies might make to problem countries, our immediate aim should be to avoid rewarding them for their activity. 11.) In specific, we should coordinate our intelligence and export licensing so that when a foreign firm seeks privileges from us but has a nuclear subsidiary that is engaged in dangerous nuclear trade we will refuse its requests until the subsidiary desists. Our coordination of information on these matters unfortunately has not been that good. It is worth improving since many of these foreign nuclear sales and the nuclear subsidiaries that make them are not all that profitable

for the parent firm.

12.) Finally, we must be willing to take stiff action and go public, if necessary, when a firm persists in selling dangerous components to problem countries. If after sharing our intelligence with one state in which the firm does its business, the offending firm persists in engaging in such commerce, the first step we might take is to place an embargo on the firm. This should be done without any public announcement. If this fails, we then should escalate by publically announcing that firm X located in country Y is engaged in selling components A, B, and C to problem country Z.

If this too should fail, a final announcement by the President or the Secretary of State should be made to the effect that the firm has been embargoed, it threatens the peace and welfare of the civilized world, and is undeserving of any country's protection much less that of the U.S. There is an outside chance that the firm will not be bombed by others or otherwise made to desist in its offensive behavior. But this is very much an outside chance so long as other know we will not penalize them for their actions.

13.) To the extent that going public may keep us from having to do the dirty work, it is essential that we not increase the cost to others to do this work for us.

CONCLUSION

All of these suggestions are feasible without adding much to the

federal payroll or budget. Nor do any of them require interagency study or debate.

As for improving the IAEA, I have nothing specific to recommend beyond what has already been written or said. It would be nice to strengthen existing safeguards. For the moment, though, I would settle for something much more modest--getting the IAEA up to the task of covering the safeguard commitments it has already made with the techniques and procedures it is already using or considering to use. From informed sources I have contacted it appears that the agency is now only capable of covering approximately one half of the safeguard commitments it has made. Given the current depression in atomic reactor sales, we could do much worse than simply encourage the agency not to take on any additional safeguarding responsibilities. This would drive home the agency's current shortcomings at the same time that it would give the agency a genuine chance to catch up. Indeed, unless the agency achieves its minimal accounting objectives with regard to light water reactors now under its inspection authority, I seriously doubt any improvements, technical or institutional, will much matter. More than anything else, the agency needs time.

As I noted in my introduction doing well at slowing the spread of nuclear weapons matters. This spread will not stop. Where it will occur and how soon, though, are questions worthy of our attention. Certainly, with regard to these issues, we do have some say. Then too, like war itself, later and less are better.

As regard to the Soviet threat, we ^{also} do not have much time. Still,

I am an optimist. Indeed, I think we all are. The Department of Defense is trying to build our military strength, after all, so we might prevent what the pessimists believe is likely. To prevent Soviet-communist expansion, though, in several important instances we are going to need the cooperation of several countries in areas most likely to go nuclear. Many of these nations are ambivalent towards us now. If their neighbors who are more anxious to keep us out should get the bomb before our forces are complete, we will have a much more difficult time. Indeed, the areas will become politically restrictive and our deployment forces may not only be threatened, but kept from the scene. Whatever the region, this is no way to keep the Russians out.

This, of course, does not mean that the spread of nuclear weapons is the only or even the most important national security issue, but it is a serious matter; certainly serious enough to warrant some effort now. The steps I have suggested, I think, are the right place to begin.